

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2001-83-C - ORDER NO. 2001-609
JUNE 21, 2001

IN RE:	Application of AmeriMex Communications Corp. for a Certificate of Public Convenience and Necessity to Provide Competitive Local Exchange Telecommunications Services in the State of South Carolina and for Flexible Regulation.)	ORDER GRANTING CERTIFICATE FOR LOCAL SERVICES AND FOR FLEXIBLE REGULATION
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This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of AmeriMex Communications Corp. ("AmeriMex") or the "Company") requesting a Certificate of Public Convenience and Necessity to provide competitive local exchange telecommunications services in the State of South Carolina. In addition, the Company requests that the Commission regulate its local service in accordance with the principles and procedures established for flexible regulation by Order No. 98-165 in Docket No. 97-467-C. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2000) and Section 253 of the Telecommunications Act of 1996.

By letter, the Commission's Executive Director instructed AmeriMex to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The proposed Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. AmeriMex complied with this instruction and provided the Commission with proof of publication of the

Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on April 25, 2001.

On May 11, 2001, counsel for SCTC filed with the Commission a Stipulation in which AmeriMex stipulated that it would seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until AmeriMex provided written notice of its intent prior to the date of the intended service. AmeriMex also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. AmeriMex agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to AmeriMex to provide local services provided the conditions contained in the Stipulation are met. The Stipulation was entered into the evidence of the hearing, and the Staff requested that the Stipulation be approved by the Commission. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on May 30, 2001, at 2:30 p.m., in the Commission's Hearing Room. The Honorable William Saunders, Chairman, presided. AmeriMex was represented by Faye A. Flowers, Esquire. Adelaide D. Kline, Staff Counsel, represented the Commission Staff. Steve W. Gunter, Auditor, Utilities Department, and Eddie Coates, Rates Analyst, Utilities Department, testified on behalf of the Commission Staff.

Donald L. Aldridge, President and Founder of AmeriMex Communications Corp., appeared and testified in support of the Application. Mr. Aldridge testified that he is a Certified Public Accountant and holds an MBA degree in finance. He stated that prior to founding AmeriMex, he was a partner of Tatum CFO Partners, LLP. He said his clients at Tatum were service and technology companies that gave him the opportunity to work with public markets and private financing. He testified he also founded a cellular resale business, The Cellular Network Inc., in Atlanta, Georgia in 1994, which resells cellular service in the greater metro Atlanta area. He said he sold the Company after five years. Upon receiving certification from the Commission, AmeriMex seeks to provide, on a resale basis, monthly recurring, prepaid, flat rate local exchange service, including extended service area, toll restriction, call control options, tone dialing, custom calling services, and any other services available on a resale basis from BellSouth, GTE, or any other relevant incumbent facilities-based local exchange carriers, that are exempt from requirements of Section 251 of the Telecommunications Act of 1996. AmeriMex will resell local exchange telecommunication services in the service areas of the non-rural local exchange carriers (LECs) in the State of South Carolina. AmeriMex will provide certain local services that are available for resale by the underlying incumbent local exchange carriers (ILECs). AmeriMex will not construct, operate, manage, own or lease any telecommunications facilities for the provision of its local services in the State of South Carolina.

According to the record, AmeriMex is a privately-held Georgia corporation that has received authorization to transact business within the State of South Carolina. It is headquartered in Roswell, Georgia. Mr. Aldridge testified that AmeriMex is currently providing services to approximately 8,500 customers in the states of Georgia, North Carolina and Florida.

Mr. Aldridge addressed AmeriMex's managerial, financial, and technical ability to provide local exchange telecommunications services in South Carolina. Mr. Aldridge explained his background and experience in the telecommunications and finance industries, and the experience and background of the other key management team member, Irving Rivera. Mr. Aldridge stated that the other key management team member, Irving Rivera, is AmeriMex's Executive Vice President. He said Mr. Rivera's background for the past nine years has been in marketing and sales of money transfer systems. He also said Mr. Rivera has extensive experience in marketing to the Hispanic population, the Company's primary market. Mr. Aldridge further testified that Dezi Farah is in charge of the customer service area and that Oscar Rivas oversees three billing personnel. Mr. Aldridge said that AmeriMex has a total of eighteen employees. Mr. Aldridge will be the Company's regulatory, financial and customer service contact person.

The record reveals that AmeriMex will bill its customers directly. The Company's name, address and toll-free telephone number will appear on the bill. Additionally, the Company will operate a customer service department. Mr. Aldridge testified that Dezi Farah oversees the seven customer service representatives. The toll-free telephone number is (888) 224-2922. Mr. Aldridge testified that the toll-free customer service number is handled by a live voice from 9:00 a.m. until 7:00 p.m. Monday through Friday and from 10:00 a.m. until 3:00 p.m. on Saturday. He said voice mail answers the customer service telephone at all other hours. He said that most customer service representatives for AmeriMex are bilingual and that the toll-free number is answered in Spanish with the option to choose an English-speaking customer service representative.

Mr. Aldridge stated that his Company intends to market its services to Spanish speaking customers through direct marketing sales agents in South Carolina. He said that AmeriMex usually puts its point of sale posters and banners in Hispanic grocery stores. At this time, his Company does not plan to do any telemarketing in South Carolina but is aware of the Commission's marketing guidelines.

Regarding the Company's financial ability to offer telecommunications services in South Carolina, Mr. Aldridge testified that AmeriMex's financial ability has been evidenced by its financial statements that were submitted with the Application. He said that AmeriMex is entering its third year of operations and that it took one and a half years for the Company to break even. He said AmeriMex first became profitable in December 1999 and has remained profitable since that time. Mr. Aldridge further stated that he and Mr. Rivera would provide any additional financial resources from their personal financial portfolios should an infusion of capital be necessary. He opined that AmeriMex is in good financial position to offer services in South Carolina because it is financially able and has no long term debt. He further explained that the prepaid local telecommunications business is primarily a marketing and administrative function and not capital intensive. He said prepaid local service providers generally rely on the incumbent local exchange carrier for technical expertise and because of that, similarly situated prepaid local service providers do not have a large business risk or capital outlay.

Steve W. Gunter, Commission Staff witness, testified that the Company submitted unaudited financial statements for the Company's operations in Georgia, North Carolina and Florida. He testified that the income statement dated December 2000 indicated the Company had cash that made up 20% of its total assets as of December 31, 2000. He further stated that the

Company had a current ratio of 1.20 which means there were enough current assets to meet all the current liabilities as of the date of the statement. Mr. Gunter opined that the Company's retained earnings were negative due to prior losses and that the total stockholders' equity was also negative due to the negative retained earnings. Mr. Gunter testified that in order for the Company to be able to continue to operate, it will have to have a source for working capital. He said such source could come from continued profits, long-term debt or additional paid in capital by the owners. Mr. Gunter stated it was Commission Staff's opinion that AmeriMex was in a position to begin operations in South Carolina. The Company requested the Commission's permission to be exempt from any record-keeping rules or regulations that might require the Company to maintain its financial records in conformance with the Uniform System of Accounts. According to the record, AmeriMex currently maintains its book of accounts in accordance with the Generally Accepted Accounting Principles ("GAAP").

Mr. Coates presented testimony to the Commission on the findings of the Utilities Department with respect to AmeriMex's Application for a Certificate of Public Convenience and Necessity. According to Mr. Coates, AmeriMex seeks authority to resell local exchange telecommunications services within South Carolina. AmeriMex requested a waiver of S.C.Code Ann. Regs. 103-631 (1976) so that the Company will not be required to publish local exchange directories. According to the record, AmeriMex will make arrangements with the incumbent local exchange carriers whereby the names of AmeriMex's customers will be included in the directories published by the incumbent local exchange carriers. The Company additionally requested a waiver of 26 S.C.Code Ann. Regs. 103-610 (1976) so that AmeriMex can maintain

its records outside of South Carolina. The Company wishes to maintain its books and records at its headquarters in Roswell, Georgia.

The testimony reveals AmeriMex's presence in South Carolina as a telecommunications service provider will have a positive effect on the public interest. Upon receiving certification from the Commission, Mr. Aldridge testified AmeriMex will abide by and comply with the Commission's rules and regulations and Commission Orders in its operations in South Carolina. Further, the testimony reveals AmeriMex has never had an application for a certificate of public convenience and necessity denied. Further, he testified AmeriMex will comply with South Carolina laws and with all applicable rules and regulations of the Commission. He agreed to make all tariff changes as suggested by the Commission Staff and additionally agreed to include the email address and telephone number on each tariff page. He agreed to file a copy of AmeriMex's Bill Form with the final tariff as required by this Commission's regulations. Finally, Mr. Aldridge testified AmeriMex had not provided any intrastate telecommunications services within the State of South Carolina.

At the hearing and upon examination of the witness, a Commissioner inquired about the Company's proposed rate of \$59.00 for prepaid local exchange service. Subsequent to the hearing, counsel for AmeriMex filed a letter responding to the inquiry and agreeing to lower its proposed rate for prepaid local exchange service from \$59.00 to \$49.00. The Company agreed to make the change, along with the other recommended changes, in its final tariff to be filed upon certification.

Upon consideration of the application and the record from the hearing, the Commission makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. AmeriMex is organized as a corporation under the laws of the State of Georgia and has received a certificate from the South Carolina Secretary of State to transact business within South Carolina as a foreign corporation.

2. AmeriMex wishes to provide local exchange services within the State of South Carolina.

3. The Commission finds that AmeriMex possesses the technical, financial, and managerial resources sufficient to provide the service requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 2000).

4. The Commission finds that AmeriMex's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 2000).

5. The Commission finds that AmeriMex will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 2000).

6. The Commission finds that AmeriMex will provide services which will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 2000).

7. The Commission finds that the provision of local exchange service by AmeriMex "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 2000).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to AmeriMex to provide competitive

intrastate local exchange services within the State of South Carolina. The terms of the Stipulation between AmeriMex and the SCTC (attached hereto as Exhibit 1) are approved and adopted as a portion of this Order. Any proposal to provide local services to rural service areas is subject to the terms of the Stipulation. In accordance with the Stipulation, AmeriMex may not provide any local service to a customer located in a rural incumbent LEC's service area, unless or until AmeriMex provides such rural incumbent LEC and the Commission, written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. The Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while it conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon a showing of good cause. It is specifically provided that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Order in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications as they may be entitled. If, after notice from AmeriMex that it intends to serve a customer located in a rural incumbent LEC's service area, and the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or if the Commission institutes a proceeding of its own, no service may be provided by AmeriMex in a rural incumbent LEC's service area pursuant to this Order without prior and further Commission approval.

2. AmeriMex shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and

comporting with South Carolina law in all matters. Any proposed change in the rates reflected in the tariff for local services which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2000).

3. AmeriMex shall resell or provide the services of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. AmeriMex shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. AmeriMex shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, AmeriMex shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's web site at www.psc.state.sc.us/forms. This form is entitled "Annual Report for Competitive Local Exchange Carriers". Additionally, pursuant to the Commission's regulations, the Company shall file a CLEC Service Quality Quarterly Report with the Commission. The proper form for this report is Form #110 and can be found at www.psc.state.sc.us/forms/default.htm.

6. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system

include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs AmeriMex to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, AmeriMex shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

7. The Company shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

AmeriMex shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility

Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. AmeriMex shall also file with the Commission a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2000).

8. AmeriMex requested waivers from certain Commission regulations and requirements. Specifically, AmeriMex requested waivers from (1) the requirement found in Rule 103-631 to publish and distribute local exchange directories and (2) the requirement to keep its books and records in South Carolina. The Company also requested permission to exempt it from any requirement to maintain books and records in compliance with the USOA. The Commission grants the request for waiver from the requirement to publish directories as AmeriMex has indicated that it will contract with the incumbent local exchange company to include the customers of AmeriMex in the directory listing of the ILEC directory. The Commission also grants the Company's request for a waiver of the requirement that books and records be kept in South Carolina. AmeriMex has permission to maintain its books and records at its corporate headquarters in Georgia. Further, the Commission grants AmeriMex's request that it be allowed to keep its books and records in accordance with GAAP rather than the USOA. AmeriMex is directed to comply with all Commission regulations, unless a regulation is specifically waived by the Commission.

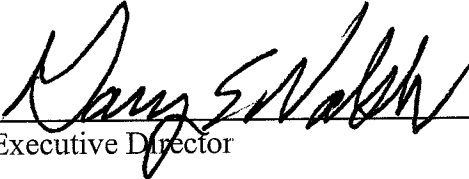
9. AmeriMex shall include the maximum rate of \$49.00 for prepaid local exchange service in its final tariff.

10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2001-83-C

Re: Application of AmeriMex Communications)
Corp. for a Certificate of Public Convenience)
and Necessity to Provide Competitive Local)
Exchange Telecommunications Services in the)
State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and AmeriMex Communications Corp. ("AmeriMex") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose AmeriMex's Application. SCTC and AmeriMex stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to AmeriMex, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. AmeriMex stipulates and agrees that any Certificate which may be granted will authorize AmeriMex to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. AmeriMex stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. AmeriMex stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and

until AmeriMex provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, AmeriMex acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. AmeriMex stipulates and agrees that, if AmeriMex gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then AmeriMex will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. AmeriMex acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and AmeriMex, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. AmeriMex agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. AmeriMex hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 2nd day of May,
2001.

AmeriMex Communications Corp.:

Donell C. Alsdridge

South Carolina Telephone Coalition:

Margaret M. Fox

M. John Bowen, Jr.
Margaret M. Fox
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Attorneys for the South Carolina Telephone
Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.

Chesnee Telephone Company

Chester Telephone Company

Farmers Telephone Cooperative, Inc.

Ft. Mill Telephone Company

Heath Springs Telephone Company Inc.

Home Telephone Company, Inc.

Lancaster Telephone Company

Lockhart Telephone Company

McClellanville Telephone Company

Norway Telephone Company

Palmetto Rural Telephone Cooperative, Inc.

Piedmont Rural Telephone Cooperative, Inc.

Pond Branch Telephone Company

Ridgeway Telephone Company

Rock Hill Telephone Company

Sandhill Telephone Cooperative, Inc.

St. Stephen Telephone Company

West Carolina Rural Telephone Cooperative, Inc.

Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

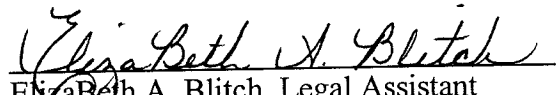
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and Necessity to Provide Competitive Local)
Exchange Telecommunications Services in the)
State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Faye A. Flowers, Esquire
Parker, Poe, Adams & Bernstein, L.P.
Post Office Box 1509
Columbia, South Carolina 29202-1509.


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May 10, 2001

Columbia, South Carolina